



CALIFORNIA VETERANS BOARD
TELECONFERENCE #674
Medal Of Honor Hall
December 21, 2:00 p.m.
Department of Veterans Affairs
1227 O Street
Sacramento, CA 95814
Headquarters



TELECONFERENCE EXECUTIVE SESSION MEETING

The California Veterans Board (CVB) monthly public meeting was called to order at 2:00 p.m.
Board members on teleconference included
Chairman George Sinopoli (Fresno)
Vice Chairman Leo Burke
Members Judy Gaze (San Diego)
Dr. Vernon Chong (Lincoln)
Present at Headquarters Col James Crump (ret) (Folsom)

CDVA Staff Present at Headquarters Sacramento Secretary of Veterans Affairs Thomas Johnson
Legal Division Deputy Secretary Joe Maguire
Administrative Services Division Chief John Hanretty

Teleconference speakers included:
Howell Jackson, Select Committee Member, Attorney
Charlie Waters, Marine Corp League Judge Advocate
Jack Climer, American Legion of California Judge Advocate
Gordon Picket
Chuck Parnell, American Legion Advisory Committee

Chairman Sinopoli: Good afternoon members of the California Veterans Board, Secretary Thomas Johnson and Audience. Secretary Thomas Johnson requested to meet with the board and so as a state body we must adhere to state law (Bagley Keene Act). As a courtesy I have requested a special teleconference meeting with the California Veterans Board to hear Secretary Thomas Johnson proposed board budget and etc. This meeting will not be a deliberation; the chairman will not accept any motion at this time but to hear what Secretary Johnson has to say. Board

members may ask questions but the board will discuss in further detail the fiscal year budget 2005/2006 at the next board meeting in February. Please refer to your agenda.

FORMS FOLLOWS FUNCTION – CPR

Secretary Thomas Johnson: I apologize that I was not aware of the Bagley-Keene Act. I had hoped for a meeting in person because it is always better to set around a table where everyone is present. This was the best opportunity for everyone to come together. I stopped last week at George's house and went over the agenda and the budget idea. I want everyone to know that is it just a budget idea and it has not been sent forward. The dollars sent forward in November 05/06 preliminary budget is the same as last year. I went over it with George and I understand it might not have been sent over to you with the agenda. I intended it to be sent with the agenda. Going over the agenda and the budget it self, I have four goals. Four goals as it relates to the CPR process as it relates to our department.

- First to clarify the California Performance Review (CPR) process as it relates to the department.
- Secondly, to clarify the budget implications. Clarify and discuss the budget implication not only to the board itself but also to the department relative to the states' condition.
- Thirdly, to review two specific items at the end which are the MWRF, the indexing of fees & charges and then to clarify the cemetery. It's not a discussion just a clarification, when we discussed it at an earlier meeting, we discussed the BCP's. It's called the A pages, which are sent by the governor during his budget.
- Fourth goal is to end on a high note, good will, and positive feelings for next year, a year that will be challenging, fruitful and exciting.

Starting with CPR, it was presented earlier to the board in the summer time but the governor started working on this soon after he got into office. The Governor initiated it right off the bat, taking in people who were not part of state government, academic people to try to make government more responsive to the public, and to make it function more smoothly. For example, I read today people are having difficulty obtaining a death certificate even after one year after the fact and also settling estates. So how does this translate into action, whether to get a death certificate, to get a motor vehicle license quickly or an EPA permit? The whole idea was to make the government work better and more efficiently. Out of that came forward a lot of ideas and some of the board members are not aware of how far we have come as a department.

Our first indication of what might be happening was sometime in the spring. We found out we might not be a department and divided up into various components under other agencies within the state. For example the homes would go under the department of health, the Cal Vet Loan program would go under business housing and transportation. We discovered it for the first time in an organizational structure with the California Military Veterans Department. Fortunately Roger Brautigan came on duty at that time and Robert, Roger and I meet with the CPR staff. We informed them that this was not the right direction for a number of reasons as well as it is a separate function from the military department and the National Guard, which is a very small component.

Most veterans are not National Guard people at all nor does the National Guard have any role with healthcare. We persuaded them not to go with that organizational structure. From that point on the department with CPR leaders, and ultimately with the governor, was solidified in that we are now one of the departments that will be retained, what they call a super department with a cabinet level person

reporting directly to the governor. That is an enormous change, half of the departments in the state will not be retained, they are going to be restructured, and they are going to be changed in some fashion.

We achieved some notable recognition for our mission and for the veterans that we serve. In addition they did retain the California Veterans Board. Initially that was going to be eliminated and the Secretary would appoint an advisory panel in its place. That will be happening to a lot of boards and commissions under CPR. There will be eliminations, transitions of responsibilities in many boards and commissions.

The California Veterans Board was retained with some clarification as to the function of the board. That is a little bit of the history and I think that has been under appreciated by veterans relative to how we have worked with CPR leadership, ultimately once we found out their direction was to retain the department as it functions today. Forms follows function, I have included the sub bullets, adjudication role, my thoughts on meetings and my thoughts on advocacy.

ADJUDICATION ROLE

Adjudication, in CPR they talk about transferring that function to an administrative law judge. I mulled over it a lot and observed how the board functions in that role with the very careful review that has been done by those who are delegated to do so by the board such as Judy Gaze and Vernon Chong who handled the bulk of those appeals. It really works out very well and we were able to persuade CPR that is a role that makes common sense and it makes economic sense to be retained within the board's structure. The perception that the board brings as veterans as well as a business perspective and from a historical perspective, and to some of you who are on the functioning aspect of the Cal Vet loan program. It works very well and it works on behalf of the department as well as for the veterans. The only change here is for a number of reasons some board members felt we could be open to some criticism relative to legal counsel.

SPECIAL COUNSEL

Dr. Chong was particularly helpful in pointing this out and giving some justification for a special counsel to be involved in those hearings procedures. From that perspective my thinking is yes let's certainly support that and be proactive even though we have not had a challenge on that basis, we have never had anyone challenge a decision by the department based of legal counsel is bias. It is pretty clear-cut and we know what the law states or what the requirements of the code are but let's not push it, let's take pro action. I think Dr. Chong's recommendation in this area was a good one.

USE OF A DEPUTY

I wanted to clarify something else, in your policies you mention how to use the deputy secretary of homes for certain circumstances versus deciding as a board on issues relating to levels of care. For example if there is an admission question to the home that would come to the board. If there were a level of care issue that would go the deputy secretary of the homes. That is what I would make sure we agree on because there is so much medical decision making involved in that level of care that the board would be inappropriate, cumbersome and second questioning with the medical decision making that occurs at the veterans homes. We kind of agree on the adjudicating problem of an admission of a veteran that would come to the board for review or whatever your pleasure is but if it is a level of care that would be left at the home level. Maybe we could go through the whole CPR and then if we have any questions Mr. Chair?

QUARTERLY MEETING OF THE BOARD

Secretary Thomas Johnson: Secondly in regards to the board, I am fully aware that the board has the purgative on this area and there is no question you have to make the decision on the frequently of meetings and same on the budget in terms of the budget being separately stated and the funds on how you allocate them. That is the decision that the board has to make and I am fully aware of that. This is my thought for review and discussion and as I've come up with this from the CPR process. Understanding where the Governor is headed, where he is looking at boards and looking at the functions of boards. What I came up with and I went over in detail with George was a budget that reflected what I thought the functioning could be and also what the functioning could be in light of the budget constraints.

Let me give you a feel for some of things that have happened even in this last week in regards to the budget. We received December 16, another unscheduled reduction in our agency of \$973,000. We had to take that \$973,000 deduction apply that over the various components of our budget. I went to a budget briefing on Thursday night where the new department of finance director Tom Campbell described the states budget as "grim" he said LAO office estimated a six billion dollar short fall for 05/06 was probably understated. Probably some of the revenue expectations are not going to materialize, as you recall if you read the LAO report it was even grimmer for 06/07 with a ten billion deficit.

The ultimate conclusion of the LAO without structure reform or increase revenue taxes, it will be an impossible situation. Our \$973,000 is a drop in the bucket obviously to the seven billion but every agency has been asked to contribute and we have pretty much been given a good hand so far. They have been very supportive of our veterans budget, we have even gotten a few things through by the BCP process, which I didn't think we would get because right off the bat they said no more personnel added to the state budget. We persuade them to allow us to add another veterans claims benefit adjuster in San Diego where we have only two and that is the largest veterans population in California. We were able to get them to come to our side but this \$973,000 is a huge challenge we are now facing.

In addition, that same week we received a budget letter, which I am going to ask Sandra to send to each of the board members. Let me read this to you from the department of finance, we received this last week as well. (Read budget letter 04-38). You could quiver with language but you could understand the thrust of that. This came last week, which was a week after I prepared the agenda and discussed it with George and discussed some of my comments and some of my thinking relative to the whole CPR project and budget discussions.

Getting back to agenda, the quarterly meetings and the semiannual meetings of the board in conjunction with the key leadership of veterans service organizations, these are the representation meetings. This is what I talked about how many meetings will be held and that equaled four, how many meetings will be with the veterans service officers, the key leadership, that would be two and how many representational meetings would be held with the board members who are on an agenda for a meeting either to make a presentation, to bring greetings, or to present a recognition award.

You would also have the ability to go to at least four of these per year. So the total would be 10 meetings times two days per meeting times five board members totaled \$10,000. That is how we came up with that budget and I went over it with George. Basically looking at a zero based budget for the work of the board, quarterly meetings, semi annual meetings with key veteran service organization leadership and then quarterly meetings with veterans service organizations or like in San Diego, Judy has a veterans counsel meetings. But it has to be where you are on the agenda, where you are scheduled for a date with that organization, where you are bringing greetings and making comments or making a presentation on behalf of the board or the department.

That is the zero based budgeting that I came up with for the functional role of the board, quarterly meetings and meetings with the key veterans organizational leaders.

ADVISORY COMPONENTS

As a function, the advocacy role, we are looking at a two-day meeting, one at the Secretary Conference and then tying that in with the leadership of the veterans service organizations. The advocacy would be the opportunity to give input to the department as well as to take positions that we agree on for example we need to support federal and at the state level projects. I think the advocacy role is extremely important and those meetings will help facilitate that.

CAL-VET BOARD BUDGET FY 2004/05 AND PROPOSED FY 2005/06

The last thing is the budget itself I think you have a copy of that, you can see there is two other changes other than the recommendation on the meeting and again I will go back to that idea that it is the board decision you have to make it, I am only making these suggestions on the basis of my understanding of where the governor is heading, what CPR is proposing and what the budget position will be. You can see the \$10,000 for the board per diems for meetings, and the special counsel as Dr. Chong called that position for \$19,000 personnel services.

The question you would raise is where is the executive officer? That is something I have discussed with Sandra and there is no more executive officer in this budget, the Secretary of the department would take on that role as executive officer for the board as I have done all my life in the health care field. I've been the executive officer for a board as well as the CEO for an enterprise. It worked very well in fact communication was better, your working on of the same page.

I think it fits well within the military and veterans code because it talks about the board being within the department and within the department working together with the Secretary in areas where we are mutually supportive of veterans interest and veterans activities. In the operating expense there is not a lot except for travel, there is one area of difference and that is of course the budget savings. Every time there is a meeting our staff travels, our staff prepares for that board meeting, our staff is incurring expenses as well as the board.

There is a travel savings both for the board's budget as well as the department's budget as you remember last year there was a period of time we couldn't go anywhere. We might be facing those difficulties next year as well. One item that has been added is \$5,000 in recognition because I sense the board's desire to do some recognitions. There is no budget in our department for we had to squeeze money out of our pocket for the most part for some of the recognitions we had to do around here. For example, the health and fitness campaign, I am proud to say that our management team out of their own pocket put up \$1,200 for the recognitions of our employees, because there was no budget.

I think the board needs some money in this area for recognition and I know that George you have done several of these in the past years and it would be helpful to have that as an additional budget amount. We looked at this at terms of zero based; what would it take for the functioning of the board in the role of advocacy, adjudication and advisory to the department? The budget allocation and how you allocate these are certainly the board's prerogative. Have we done all we can budget wise, yes but we have to do more.

I will give you some examples of what the department is now facing. We have two primary problems; the minor one is the farm and home program. As you know that program has been used as a cookie jar for

non-farm and home related purposes. One example is Joe Maguire's department, looking at the workload it should be a 50/50 split with the legal department, 50% paid for by farm and home and 50% general fund. In fact it's 80% paid for by farm and home, 20% general fund. When Joe lost an attorney recently we didn't replace that attorney, we lost Don Currier to the governor's office. We eliminated our internal audit department; one of those auditors was paid for entirely by farm and home. We have to reduce the cookie jar dollars according to Wall Street. Wall Street says our administrative expenses for running our farm and home program are way out of wack to industry standards and unless we start reducing we are going to face challenges in keeping our bond rating and keeping that program viable.

I'll give you another example; my son's father-in-law is the president of Massachusetts Mutual Insurance Company. They merged with Connecticut Mutual about four years ago. He knows insurance he knows it very well. I told him what the portfolio was for Cal Vet program and I told him how many people we have assigned to that program and he said that is a lot of people for that portfolio. This is not news we know our administrative expenses are higher than what they should be and it is partly because the department has used it as a cookie jar.

We have to get out of that, we have to start reducing that and frankly the executive officer of the California Veterans Board is paid for 100% by farm and home. It can't be, it is just one of those things that we have to take care of. We can provide the support and the functions through other reassignment of task and responsibilities.

Another example of what we have done here recently in terms of reducing operational expenses is the reduction in our house keeping cost. As you know the Cal-Vet Farm and Home owns this building. The department pays a certain amount of expenses to them and we looked at those expenses, which seemed high. We figured out that there are ways to reduce it. One of them we found an exception in the state's contracting requirements, which allowed us to contract with a developmental disabled service that provides house keeping. We can save one thousand dollars per day in housekeeping cost. That contract was put in place November 1, 2004 after many difficulties but we got it in place. Frankly our housekeeping is better than it has been and it certainly is less expensive.

We are looking at every aspect of how we can operate this department in a cost effective responsive manner to the states budget crisis and to our own business needs relative to the farm and home program. That is something that went into the decision for the budget and the functioning of the board. I mentioned one other thing on CPR, maybe it sounds kind of glib, but it's form follows function. It is the phrase that has been looked at through out this process.

What is the function that is being provided that brings the benefit of having that board? The function of how I've seen this board operate is advisory to the department, adjudicatory for veterans having issues with farm and home or veterans homes admissions. Advocacy with such things such as HR1742 the cemetery budget, things that you hear from the veteran's community and help work with either the legislators or federal bureaucracy in making these things happen. That is kind of how this came out, both with the budget and form follows function. I will break here for any questions and we can talk about these budget changes.

Vice Chairman Leo Burke: Has the governor signed off on what you are presenting to us today?

Secretary Thomas Johnson: The governor has given our office a thumbs up, he has not signed any documents yet, he has not gone forward with any thing public in the way of these documents but he has said we are on the right track and that he agrees with this thinking.

Board Member Judy Gaze: I would like to see how much we actually spent for a whole year; we have figures from fiscal year to date and for the month of October. I would like to see an entire fiscal year to see how much was expended because I know we don't expend the whole \$150,000. The second thing you talked about was the cost of the five board members but the board is supposed to have seven board members. Is it the states intent not to appoint any more members?

Secretary Thomas Johnson: Both good questions and I know that John is writing this down, maybe he can come up with the answer for these questions.

Administrative Services Division Chief John Hanretty: I don't have it right now but I could send it out later to the board.

Secretary Thomas Johnson: It would be very helpful if we could get that information before this phone call was over.

Secretary Thomas Johnson: John normally has a five-person budget department and we have just been struggling to keep that going. Currently there are two out of five people in the budget department. We have interviewed this last week for a budget manager and we have two excellent candidates, one of whom has agreed and the other might come on to make it four. It is a frustration to us all especially the department heads because they want to know where they are at in terms of the budget because I am holding them accountable because I am being held accountable. It is a frustration to us all.

In regards to your question on the seven members, I pegged it on five because I think there is still uncertainty even though the governor's proposals may go forward in January. There is still going to be a lot of debate still with boards and commissions, so based on that uncertainty I'm not sure that there will be full compliment of board members even to the extend to a member of a home, that will remain to be seen.

Board Member Judy Gaze: So you are saying that the Appointment Secretary is dragging his feet to see if the board is going to survive?

Secretary Thomas Johnson: Every board and commission at this point is being discussed as part of this reorganization and I think there will be some appointments made. I am delighted that Jim Crump has come on board. We have at least been assured that the next vacancy comes up in November or January with Vernon? Vernon do you know?

Board Member Dr. Vernon Chong: I never knew I was fulfilling Dr. Feldman's term but my understanding is they are going to reappointment me according to David DeLuz.

Secretary Thomas Johnson: Judy, if that occurred, if there was a full seven-member board we would find the additional dollars for the augmentation cost. If you wanted to go with that meeting scheduled based upon that kind of scenario, if that was your agreement and there were seven members, we would find the money to transfer into that. It would not be a matter of dividing up that pot of money for more board members. Does that answer your question?

Board Member Judy Gaze: Yes it does, thank you.

Board Member Dr. Vernon Chong: I have a question, indeed if the executive officer is deleted or not funded, how are you going to cover that?

Secretary Thomas Johnson: My experience Dr. Chong has been that the Chief Executive Officer functions in both the role of Secretary as well as Executive Officer for the board. Communication problems that might have occurred in the past are minimized. I'll give you an example, one was the annual report to the governors office, in terms of not being aware of that, how that functions and being able to help in the production of that which frankly I think was less quality than what we would have desired. Just the board agenda going out without the copy of the budget attached. I think there are examples of things that could be improved by having you up to speed to what the department is doing. I think it would be much easier to do that from our office and we can support that by reassigning some task from a clerical perspective as well.

Board Member Dr. Vernon Chong: Clerical support from your own office, is that right?

Secretary Thomas Johnson: Yes.

POLICY COMPONENTS

Board Member Leo Burke: What is your main objection to a policy board?

Secretary Thomas Johnson: That is a good question. That comes to the heart of it. It is not just an objection it is an observation. I think as I observed and we did hear some of this in some of the testimony as well. The board's policy role is not a fiduciary role; the fiduciary role comes upon me as delegated or required by the governor or legislature. The elected officials make the determinations policy wise, which then I carry out in which I am personally liable relative to the budget side of things.

As I talked to people at both the public hearings and board members that have been there in the past, it seems that the policy role is one that doesn't have the strength of actual comment. The Secretary still has guidelines and directives such as this finance letter that he has to follow. There is a kind of schizophrenia sometimes with regards to that policy.

Advisory is the way most boards would function and within that advisory role they would have the same kind of status, the same kind of clout as they would with policy because how do you ignore the veteran experience. How would you ignore the kind of veteran and political input? You can't ignore that; you have to take that into account. So whether it is policy or advisory that the real issue that the board provides, a very valuable function to this department and we fought to retain it because it's great input and it's great communications back and forth between people that have a lot of veterans experience and a lot of contact and a lot of political contact. That is how it functions. I think that is how it functions best.

Select Committee Member Attorney Howell Jackson: May I offer an observation or two here? I don't necessary disagree with what the Secretary just said except that I do think it might be much easier for the Secretary to ignore the advice from the board rather policy. The existing law says that the board will determine policy for all operations of the department and that the Secretary is subject to those policies. In my long experience with the department I do not recall any instance in which the board adopted policy that was contrary to or in conflict with the policy of the current administration. I think the board has always acknowledged, recognized, and afforded the policy to whatever governor was in office at that time. In my view I don't think the board was irresponsible as to adopt policy in contrary to the administration policy. I am afraid as a veteran that if the board is relegated to a advisory role that not this Secretary but perhaps a future Secretary might simply say thank you for your advice and I'll do it my way. Those are my observations.

Board Member James Crump: As the newest board member I would like to go back to California Performance Review, if you look at their final report, they recommend that we be disbanded as a board. I heard the Secretary say he got them to change that. Have they changed what they put in writing Mr. Secretary?

Secretary Thomas Johnson: Yes they have changed it. They did change it from originally from a panel and we suggested that it remain as a board and still appointed by the governor.

Marine Corp League Judge Advocate Charlie Waters: I have a copy of the issues of the functions of the board as presented by the CPR but I also have a copy of the public comments and as noted on the pros there were no testimony submitted. The Cons they definitely have veterans who testified and want to keep the board. One of things that concerns me and the veterans out in the field, I don't know where the advice came from up there but eliminating the board would remove the direct oversight and policy guidance provided to the department of veterans affairs. The counsel mentioned that it may not happen and it is likely will not happen with you but at some point a Secretary could say thank you for your advice but no thanks. This is a deep concern with the veterans and I know we are all getting along but this is a shocker and I do know that if we do get into a battle here I do know that there is a Assembly involved and I do know that there is a Senate Committee involved and as veterans we just won't give up that easy.

American Legion Advisory Chuck Parnell: Mr. Secretary you mentioned that the Governor supports reducing the board to an advisory board, is this correct?

Secretary Thomas Johnson: The Governor's stamp as dealing with CPR has agreed with our observation that it would function as an advisory body in preference to a policy body. Instead of being eliminated that it would continue being appointed by the Governor, it would continue being called the California Veterans Board and it would continue functioning as a advisory body in lieu of a policy making body.

American Legion Service Officer Chuck Parnell: This is in contrary what we were lead to believe and the feed back what we received from the Governor's Office, that the veteran's board would stay in place. Intake and not reduced in it's capacity.

Secretary Thomas Johnson: I will respond two a couple of things that Charlie said first and Chuck I don't know if I could add to what you have asked. Charlie it's not surprising that perhaps to you that there have been Secretary's that have done exactly what you have said could happen in the past. There have been Secretary's who have simply ignored the Board. There have been Secretary's who have said we don't care what your policy states we are not going to do it or we have Secretary's here who say you can meet all you want you can say all you want but I'm going to run the department. That is a fact, but on the other hand the board has recently changed policy that the department had issued relative to single rooms. What did we do Charlie? We went ahead and implemented the policy as changed by the Board. I think it is all in the matter of a working relationship, we've got a common desire to do the best we can for our veterans and to operate a department that is efficient, that gives maximum value for every dollar we've got in a very tough situation. I talk to today's environment the best way we can and so that is the function that I am going forward here. It is not rocket science it's just figuring out how we can do the job better.

Board Member Dr. Vernon Chong: On the CPR reports it states under issue "New Department of Veterans Affairs" do you know what the new department of veteran's affairs?

Secretary Thomas Johnson: Where are you finding that Vern?

Board Member Dr. Vernon Chong: Page 509.

Secretary Thomas Johnson: I would say that is the same board within the new organizational structure of the state.

Board Member Dr. Vernon Chong: What is the New Department of Veterans Affairs?

Secretary Thomas Johnson: The word "New" they are changing a lot of the departments and those who are retained in their basic function are now called Super Department. There is a recommendation to have an infrastructure department that would be brand new. Another one would be Office of Management and Budget Department that would combine a lot of the purchasing and finance. There are some changes, massive changes that are being recommended but out of that there is going to be a specified number of Super Departments that will retain the kind of mission and focus they have or a combined department or several departments to bring in like functions. I think that is what it is referring to.

American Legion Judge Advocate Jack Climer: I like to remind those who are on the call that it is a well stated and publicly stated stand of the American Legion Department of California that this board not only be retained but be retained intact. We have been very vocal both to the review board and to CDVA and to the Governor's Office publicly and to the veterans of California. We feel that the independence of this board, as a policy making body is the basis of it's strength and efficiency. I agree whole heartedly that advice is worth what you paid for it but advice is advice and not being policy is something that could choose to be ignored or not. I would be concerned with the legal authority to change that and frankly we are concerned with this tentative budget that can be viewed as reducing the budget would simply be to emasculate the board and remove it's efficiency. We have been absolutely apposed to any change with the board, we believe the board functions correctly, we believe the board is very efficient, we believe the board serves a role as it currently serves the veterans of California very well. We will remain in opposition to any changes. I want to remind everybody of that fact.

Select Committee Advisory Attorney Howell Jackson: I would like to supplement the comments of the Judge Advocate. I think the Secretary recognized when he submitted his proposed agenda for this meeting near the end of it states that policy and military veterans code changes would be required. For those of us familiar with the veteran's code are familiar with our statutes. Military substantial legislative changes would be required to accomplish some of things that have been talked about earlier. There was a question asked earlier whether or not the two vacant positions would be filled on the board. There is a statute on the military and veterans code in Section 67 © which says vacancies shall be immediately filled by the Governor for the unexpired portion of the terms. There are a number of other statutes; there is a statute, which describes the board's primary role as to determine policy. There is a statute, which provides for appeals to the board, there is statute, which provides participation in setting interest rates of the Cal Vet loans. There would be a number of legislative changes, as someone pointed out that the Senate and Assembly would be involved. I just want to point out what we are talking about and legislative changes would have to be made to implement some of these ideas.

Secretary Thomas Johnson: Mr. Chair obviously this is something we discussed way back when we presented CPR. We talked about trailer bill language that would have to be created in all kinds of areas and in all kinds of different departments including the department of veteran's affairs for anything that would come forward out of the CPR discussions. Howell Jackson is absolutely right a lot of changes that would be required in trailer bill language and everybody has been aware of that on day one.

Select Committee Advisory Attorney Howell Jackson: I have not done any current research on it but some time ago I recall a case law, which says in substance that you cannot make supplemental amendments to the law via a trailer bill. You may want to seek some legal advice on that. It may not be possible to make all these changes via a trailer bill it may have to be several bills introduced in order to do this.

Secretary Thomas Johnson: That may be and I am sure the Governor's Office is going to do the research, so we might as well save our money. Whatever the research shows as the method by which they would have to implement if any or all changes come forward. I also have to say the information that has been compiled by CPR on the basis of the public hearings was not the only input received. There were lots of individuals that gave input to our office.

There were two hearings that we held one here at headquarters and one down in Los Angeles, both of those hearings were almost opposed to each other in terms of tenor. The hearing up here, I would say more of then the majority felt like the California Veterans Board would best function at all in a advisory capacity and had been very inefficient in it's past performance. The one down in Los Angeles was quite the opposite. It was very supportive; I would say very strident with regards in its position. I think Mr. Climer articulated it very well. Mr. Climer I am very aware of that in fact I am having a set down meeting with some of your leadership and I am very interested in talking to them further about their views. They did have some of their figures wrong in their recent news letter and that is why I want to be sure they have the right figures in regard to the budget for the California Veterans Board and in addition some of the off setting cost that the department incurs relating to those meetings as well.

American Legion Judge Advocate Jack Climer: I appreciate that but you did forget about the meeting that was held in Fresno and in fact everyone who spoke was definitely in support of the board.

Secretary Thomas Johnson: That was the CPR hearing I referred to originally. The information that was compiled in the CPR report is from those CPR public hearings. We as a department held public hearings both here and down in Los Angeles.

American Legion Judge Advocate Jack Climer: It's a shame that a disgruntled one or two members of an organization can have that kind of an impact. I appreciate your comments on that.

Gordon Picket: When Governor Wilson was on board he set up groups of California leaders and I have been concerned you mentioned several times that the leadership you have been listening to are the veteran service officers. Veteran's service officers are not the leaders of the veteran's organizations here in California. There are 129 congressionally chartered veterans organizations and I was the state chair for the Vietnam Veterans of America in California when Governor Wilson set up quarterly meetings with the Commanders of each of the various organizations that are hear in California. I sat on those meetings and I was also the State Commander of the Military Order of the World Wars and I also sat in on those board meetings with Governor Wilson. It has occurred to me the leadership that should be consulted is the state commanders and the various district commanders of the organizations rather then the service organizations or veterans service officers. When I was the state chair of DAV I certified all the veterans service officers in California that would be eligible according to the qualifications to be veterans service officers for the Vietnam Veterans. I suggest that you have a meeting with the real leaders of veteran's organizations of California.

Secretary Thomas Johnson: Let me clarify, maybe I am not understanding, are you telling me that the State Commanders of the VFW, American Legion, Disabled American Veterans, Amvets, GI Forum, or Vietnam Vets, those state commanders are not the veterans leaders of California?

Gordon Pickett: They are the veteran's leaders but what I am saying is I don't see that these people have been consulted on some of these things from the leadership standpoint.

Secretary Thomas Johnson: One of the things I have surely wanted to do is do build bigger and frequent bridges to the leadership of the veteran's service organizations, the state commanders, adjutants. Those that carry forth the good work of serving veterans and whether we do in our Secretary's Conferences which we are planning on doing those twice a year or individual meetings which I am having with the American Legion leadership coming up or whether we do it with this additional meeting with the California Veterans Board which I am advocating on a twice a year basis. Sharing with each other's newsletters, those are the kinds of things that we want to continue to do so we can have great communications and great relationships, understandings on what the issues are. We are supportive of what you are saying.

Select Committee Advisory Attorney Howell Jackson: I did not interpret the Secretary's earlier comments nor his exclusion of that semi-annual meeting with VSO's as being limited to the county veterans service officers. I agree with you Mr. Secretary that I don't think you intended to limit that to the county veterans service officers.

Secretary Thomas Johnson: I did not say County.

Select Committee Advisory Attorney Howell Jackson: We have discussed the budget and I did some arithmetic it says the proposal would reduce the board's overall budget by 65.2%. That seems to be a substantial reduction. Is Mr. Hanretty there, is that correct?

Secretary Thomas Johnson: Your arithmetic is probably pretty close but I also have some information from John regarding the budget. Judy, are you still on?

Board Member Judy Gaze: Yes, I am still here.

Secretary Thomas Johnson: The original budget for this year was \$159,000. Prior year spent \$113,000. Add to the point of the arithmetic I think you are correct on that, we've had some departments that were 100% reduced for instance our internal auditing department is 100% reduced. I am looking where we can make every effort at reducing expenses but yet doing the best job we can for the mission we have.

Board Member Judy Gaze: I question where all this money has gone because postage is ridiculous to spend that amount of money on postage and also the per diem I have a hard time understanding how all that money was spent on per diem as well.

Secretary Thomas Johnson: I don't know if I could give you specifics other than it is accurate within our accounting system. The per diems as you know are \$100 per day and most of the time it's a two day per diem although there are sometimes representational meetings for which per diems are paid but my recommendation is if there are any representational meetings that it be one that you are on the agenda.

Board Member Judy Gaze: I just did my workup with my CPA and last year I had something like \$1,100 last year of per diem. For five people that would be something like \$7,000.

Select Committee Advisory Attorney Howell Jackson: I understood what Secretary Johnson just reported on the actual expenditures for last year versus the budget the board actually spent some \$40,000 less than was budgeted. My recognition is the board in the past has taken steps to reduce expenses such as what

the Secretary mentioned earlier whenever the board had a meeting it was necessary for the department staff to travel. The board deliberately scheduled half out of twelve monthly meetings in Sacramento so the staff wouldn't have to travel. As I understand in recent months the board deliberately postponed monthly meetings month to month. I am sure the board has already taken steps to reduce cost. Like I said earlier I am sure the board is not unsympathetic and wants to be cooperative with the Governor's efforts to resolve this budget problem.

Secretary Thomas Johnson: You are exactly right Mr. Jackson, the board is mindful of this problem and in fact if you took this \$113,000 and reduced the executive officer from that you would come up with a budget of \$59,000 which is very close to the \$54,000 that is in this budget and is presently to you. It is only the executive officer I think that is the biggest and most visible portion of that which is again paid for by farm and home, which is one of our problems.

American Legion Service Officer Chuck Parnell: Based upon a comment to the Secretary it appears that the Governor has set a tone to reduce the veterans board to a advisory committee and based on that Mr. Secretary what is your opinion as to the function the board should play in the future?

Secretary Thomas Johnson: I go back to how it is going to work between the board and the Secretary. As I discovered in the past there has been Secretary's that have simply said we are going our own way and you can meet and do your thing but I would much rather go forward together. I would much rather be a partner, I would much rather be in close communication so we could support each other. I think there has been some concern about separateness and that you got to have a watch dog, I think that is overstated.

There are a lot of watchdogs on this department. David Grafft could be one of them and a good one. There could be a good one in the Assembly Committee, in the Senate Committee, in the Legislature, in the office of State Auditor. There could be one from any one individual veteran who raises a question and who comes in to our department or goes to their individual legislature. There are a lot of people who want to see our department run well, do right, respond appropriately. I think that is the essence of it, you can create all kinds of structures and separateness but ultimately it is how the people are going to work together for the same purpose and the same objective. I think the governor's view point on boards and commissions, he has appointed me and he can take me and not appointment me tomorrow if I'm not doing the kind of job that makes good sense for veterans, makes good sense for administration and the directions that he is going in or makes good sense for the legislative process because they have to weigh in with him on everything they we do.

Vice Chairman Leo Burke: I would like to know why the board was not included in the budget process?

Secretary Thomas Johnson: How do you normally work on the budget process Leo?

Vice Chairman Leo Burke: We have a budget committee that works on it, executive officer works on it.

Secretary Thomas Johnson: When do you normally do that?

Vice Chairman Leo Burke: Was there a budget preparation John?

Administrative Services Division Chief John Hanretty: I believe a standard budget call letter went out in April and the executive officer received a copy of it. We received nothing back from the board to change the budget so their budget is the same as it was last year.

Vice Chairman Leo Burke: Does it seem odd that the board did not have one comment at all?

Administrative Services Division Chief John Hanretty: Not really Leo, I don't think there has been a change to the board's budget at all since I have been here.

Board Member Judy Gaze: Frankly the three years that I have been on the board I have not seen any kind of budget submittal passed out to the board members. I did not know that the executive officer received a copy.

Administrative Services Division Chief John Hanretty: The last change that we had was when the executive officer was put on at the level and then we changed the budget at that point. That was a farm and home budget so it didn't go through the normal budgetary process to the legislature so that was an off budget funding.

Secretary Thomas Johnson: At this point Leo there are two other opportunities for budget review. One comes in January and John I am not sure.

Administrative Services Division Chief John Hanretty: It would be an opportunity for the board to change the budget in the spring. It is primarily for caseload driven issues, changes in the welfare population or emergencies.

Secretary Thomas Johnson: How about the May revise?

Administrative Services John Hanretty: No, same deal. It would actually be in August.

Secretary Thomas Johnson: We are talking about a budget that has gone in as you have it even though you haven't had any input Leo, there was an opportunity for input and it went forward as it has every year in the past. I looked at it fresh a couple of weeks ago in light of what I think is going to be required of us as a department and put down my ideas and now it is in front of you for discussion.

Board Member James Crump: The budget has been submitted, I'm the newest member of the board possibility we are getting two more appointed but we don't know. The law is the law as I understand the law, we are a policy making board until the law is changed. I think we ought to back up and take the Secretary's input as an advisory board, make no changes to the budget as it exist and work the issues.

One of the things we need to look at which includes the board as well as the department is to look at this California State Auditors General Report that was done in 2003. It laid down some very specifics, it said we are a policy making board but it said they didn't think we were doing it very effectively and they told us why we were not doing it very effectively. We can certainly get a handle on that and also it said Mr. Secretary that you had some problems in your department and that we should as a board following up on that. I would like to formally request the past Inspector General reports of what correction actions have been taken and if they have been closed out. We need to do that for the board and for the department. I don't recommend we should make any changes Mr. Chairman. At this point we need to take a look at whole thing. Dr. Chong is fairly new, I am new and Mr. Chairman we need to get a handle on it. I am willing to give you the time that is necessary to help get a handle on it.

Chairman Sinopoli: In my opening statement we would not deliberate but will discuss it at a later date.

Select Committee Advisory Attorney Howell Jackson: One of the questions in my mind is in as much as the Secretary has told us that the board's budget 2005-06 has been submitted without change from the previous year, how would these recommendations or ideas by the Secretary for reduction with the board's budget be made, what process would it go through or is the Secretary going through the process now?

Secretary Thomas Johnson: Go ahead John.

Administrative Services Division Chief John Hanretty: The savings would be voluntary. The savings would be given up at the end of the year or redirected by other purposes. The board and the Secretary could identify where it would benefit veterans much like last year the \$159,000 budget it was only \$113,000 expenses. The differences probably went into a one time savings that the Department of Finance ask for, we might use it for that, it's hard to say where the savings went but it would be a voluntary savings on part of the board with out a change to the budget right now.

Secretary Thomas Johnson: How about the Farm and Home position?

Administrative Services Division Chief John Hanretty: If the Farm and Home position were eliminated effective July 1, it would be a direct savings to the Farm and Home program.

Select Committee Advisory Attorney Howell Jackson: It was my understanding the State is still using what we called the program budgeting concept and my understanding of that is the programs for a particular department are charged a pro-rata share of the cost of administration. It may very well be that funding the entire executive officer position from farm and home would not be pro-rata and perhaps Mr. Hanretty could answer this best. Are we still in program budgeting and if so what portion of the administration including the board is funded by the Farm and Home fund?

Administrative Services Division Chief John Hanretty: I can answer part of that Mr. Jackson, the program budgeting still exists, and we are still a department that separates our budget by program. There is a general administrative distribution by program in pro-rata share that incorporates a certain amount of funding and in addition to that funding however there are approximately twelve positions that had been set up and used in the department and over time as the work load in farm and home has diminished but the positions are still there and still being funded by farm and home in a tune of 1.4 million per year and that is outside of the program. That is what we are talking about as the excess amount of farm and home usage.

Secretary Thomas Johnson: We tried through a BCP this year to try to get all of the funding provided to us that would have normally been paid for out of general fund but now has been assumed by farm and home for positions. There were 22 positions John?

Administrative Services Division Chief John Hanretty: 18 positions.

Secretary Thomas Johnson: That was denied.

Select Committee Advisory Attorney Howell Jackson: It still seems so that under the program budgeting procedure it is certainly appropriate for a program such as farm and home to bear a portion the cost of administration including the Secretary's office, the board, personnel office, the budgeting office and all

of the administrative cost. I wonder if the Executive Officer position is eliminated and there is no funding at all for the board, would that be correct?

Administrative Services Division Chief John Hanretty: The discussion that the Secretary and I had is there should be farm and home funding to the board and that if the proposals on the table or other proposals are generated we would go back and take a look at that in relationship to how many adjudication cases, how many policy are dealt with, the meetings that are deal with farm and home versus how many deal with general fund. We would redistribute the money appropriately to the board based on workload activity. Right now since the budget is set we have not gone and done that and there is no reason to do that until we come to a determination of changing the budget.

Select Committee Advisory Attorney Howell Jackson: The Secretary would provide the board the most recent budget letter that has been received. My recommendation to the board would be ask the Secretary to provide copies of any and all budget instructions which the department receives including any instructions coming from the Governor's Office so that the board would know what the goals and objectives are with regards to the budget so the board could act accordingly.

American Legion Judge Advocate Jack Climer: Has items 7 or 8 on the agenda been addressed yet?

Secretary Thomas Johnson: No it has not.

Chairman Sinopoli: Board members have any questions?

RECOVERY COST FOR MWRF

Secretary Thomas Johnson: I have been discussing with some of the members of the Allied Counsel the idea of recovering the cost for pursuing the estates that are settled from members who have passed away and an estate is left and then there is a court proceedings, probate or other collection efforts to retrieve that estate money and bring it in to the MWRF. We have estimated that roughly the department in pursuing those estates spends 10% of what has been recovered on an annual basis. We have a couple of people full time here in head quarters and one-person full time at the homes working on these estates. We know that this is not authorized by the military and veterans code but it is not prohibited but it is a matter whether or not this is something that would be agreed upon with the Allied Counsel as a recovery of our cost. No decisions have been made on this but I wanted the board to be appraised of these discussions and that we will be discussing this again during the up coming year with the Allied Counsel to see what their thinking is or whether there is any opportunity for us to recovery those cost.

Select Committee Advisory Attorney Howell Jackson: I recall earlier on a number of months ago that a proposal to redirect a 1.35 million from the MWRF to the general fund. I understand from what Secretary Johnson has just said that he is not talking about merely recovering the cost that is involved in collecting the estates. In my opinion the current law would not prohibit that. I think the current law could be construed for example finding that the net estate is paid into the MWRF. I'm not sure if a legislative change would be necessary to change it if we are only talking about recovery of cost. An earlier proposal went beyond that.

Secretary Thomas Johnson: That is my understanding too; again I would indicate that this is not something that requires legislative changes. We are looking at discussions with those members of the Allied Counsel who are in the leadership positions.

Select Committee Advisory Attorney Howell Jackson: It may be possible for example to include in court order estates income of certain amount paid from the estates to the department for the cost. Some how Joe Maguire might be able to work on that, I don't know who's doing the estate proceedings, the Attorney General use to do them for the department. The department could do them as well.

Legal Division Deputy Secretary Joe Maguire: If it was agreeable with everyone, we could collect the fee from MWRF without further legislation. The estates office recently moved into the law office and the estate people are responsible for collecting the money at this point. I agree with you that we don't need legislation.

Select Committee Advisory Attorney Howell Jackson: I think if it is just a matter of recovery of cost I don't see any real objection.

Legal Division Deputy Secretary Joe Maguire: I also agree with you that if it was otherwise I think legislation would be required.

INDEXING OF FEES AND CHARGES 1994 TO 2005

Secretary Thomas Johnson: The next item is indexing fees and charges. This is something we have proposed in this budget process. The reference is Section 1012.3. The last time it was changed was 1994 and it has to do with the limits on the fees that can be charged for the various levels of care. 47.5% of member's annual income or \$1,200 per month for residential care, whichever is less. 65% of the members annual income or \$2,300 per month for intermediate care or whichever is less or 70% of members annual income or \$2,500 per month for skilled nursing care, whichever is less. We took the 1994 numbers and updated them, COLA social security increased since that time and we came up with new numbers that we are recommending to be put in the Military and Veterans Code. Those numbers now would be \$1,512 domiciliary, \$2,898 for intermediate care and \$3,150 for skilled nursing.

Select Committee Advisory Attorney Howell Jackson: Are their any percentage increasing? If I recall the current statue currently is an either or situation. The percentage of the veterans income or a cap of a certain amount whichever is less.

Secretary Thomas Johnson: The percentage will stay the same and the only increase would be on the cap, it is only adjusted bases of the social security COLA between 1994 and 2004.

Select Committee Advisory Attorney Howell Jackson: The domiciliary veterans whose income was less than \$1,512 per month would pay the current 47.5%?

Secretary Thomas Johnson: Annual thereafter, it would be indexed to the COLA adjustment to Social Security but the percentage would not change, the percentage would stay the same.

Chairman Sinopoli: Any other comments from board members?

Secretary Thomas Johnson: Just another comment on the cemetery. In our budget discussions you recall first jokily we resurrected this project from the dead. There are good folks in Shasta County who really helped out. They came to the table and we were able to reduce the over all general funds considerably by about \$325,000 when we negotiated with Shasta. \$140,000 of that is money they are contributing either directly or in-kind from Shasta. \$185,000 is what we were able to save operationally

by such things as the Shasta County to repair our equipment at cost instead of hiring a full time maintenance person, etc.

Overall we did quite well and the Governor's Office got behind us and we got the project going, as you know it will be great and it will be opening on Veteran's Day of 2005. One of the things in the budget process, which they have asked us to do, is to hire only one person to do this job, to seek other cooperative ways of managing this service. If you hear that there is only one person allowed for this well that is ok, we are working on some contracts for the rest of the services that will be provided for the cemetery and it something that we are also in contact with the USDVA. This gives you a flavor of the creativeness that we have to have with the budget challenges of the State and we are part of the team. If we want to keep our programs going and if we be part of the solution, not that we are going to give up the quality of service that we want to provide for our veteran's. We are not going to give up on that but we have to be part of the team in a very challenging environment. Much of that is not of our making, it has been something that has been brewing in California for years and it is serious and we are doing our best to be part of the solution.

Select Committee Advisory Attorney Howell Jackson: Before we adjourn, I have a couple of other thoughts. As the chairman indicated at his opening remarks the board does not intend to take any action today because this is a lot of information to digest. I thought I heard Mr. Hanretty or perhaps the Secretary say about a budget review in January and I'm thinking that we need to think about whether or not the board will need to have another early meeting to do whatever the board maybe required to do as a result of these proposals. Mr. Secretary do you have any idea if any action is required by the board regarding these proposals?

Secretary Thomas Johnson: I would have to say working within State government I am absolutely astounded how complex the budget process is and how early on they begin putting the budget together. It has to be presented by the Governor in January. It has to be together by January and as John indicated the number is in there. What I have given you are my ideas of adjustments that I think make sense and as the budget goes forward I like to be able to make these adjustments and I would like to make them with your support. There is a May revise and that is the only time the budget gets revised from whatever the Governor presents in January.

Administrative Services Division Chief John Hanretty: We won't have any opportunity to put in changes that the board might decide in January or February into that however if we decide to save general fund money that's ok, the budget will stay the same we just won't spend as much. If the board decides to eliminate the executive officer position that is an off budget item and we don't have to go through the process from farm and home money.

Select Committee Advisory Attorney Howell Jackson: What I said was as I take it of what Mr. Hanretty has just said is what he meant when he said earlier that these changes would be voluntary on part of the board.

Secretary Thomas Johnson: Yes

Chairman Sinopoli: Anybody else has any other questions or comments?

Secretary Thomas Johnson: Let me say one more thing George I don't want to be unclear on this. Howell Jackson just raised a very important point. Voluntary on part of the board but it is my understanding and John I want you to correct me if I am wrong. It is my understanding that I have the

ultimate responsibility for the budget of this department and that if I have to make internal adjustments with regard to the budget and I am free to do that.

Administrative Services Division Chief John Hanretty: I am not a lawyer but I believe you have the ultimate responsibility for this department and the Cal Vet board budget is contained within this budget.

Secretary Thomas Johnson: I just want the board members to understand that I have the ultimate authority and responsibility for the budget so I may make internal changes or adjustments if I feel I need to do that, even as the budget has been approved and submitted. That is something that has to be factored in.

Board Member Jim Crump: I think we ought to get a time-line here that the board gets back to the Secretary whether we are on or not on-board. We need to set up specific time-line because I am uneasy with the Secretary arbitrarily making a decision like that, I would not concur on that. The law stands right now and so we need to get on board with the Secretary or formally tell the Secretary we don't support it and why we don't support it and if necessary go to the next level. We don't need to leave this hanging.

American Legion Judge Advocate Jack Climer: What would be the statue authority of the Secretary to reduce the executive officer position within the Veteran's Board by changing the budget and does he have the authority to do so?

Secretary Thomas Johnson: If I don't have the authority to do so how can I be held accountable by the Governor for the oversight of the budget and make sure it falls within its perimeters. If I don't have the authority for it how could I be held responsible?

American Legion Judge Advocate Jack Climer: That is my question, what I am hearing from you sir in all due respect is that you have the position and may arbitrarily implement these changes, whether the board wants to or not, depict the fact as you stated earlier that it would be up to the board to make these changes. I am asking for clarification.

Secretary Thomas Johnson: I think you heard it clearly and that is why I am asking the board to review this and I think that Jim Crump has said a very good thing, lets get some discussion on it and lets get me some guidance.

Select Committee Advisory Attorney Howell Jackson: For whatever it's worth and I am a lawyer. The area in the Veterans Code 69.7 is pretty clear in saying that the board has the authority to determine its own budget. If that were the case the Secretary would not be responsible for the boards' budget, the board would be responsible.

Secretary Thomas Johnson: Do I have the obligation to put that determined budget within our department budget when it goes forward to the Governor?

Select Committee Advisory Attorney Howell Jackson: That is correct.

Secretary Thomas Johnson: Where is that stated?

Select Committee Advisory Attorney Howell Jackson: The section that I sited is Military Veterans Code 69.7.

Secretary Thomas Johnson: I understand that the board sets of their budget but where would it be required to be placed in the department's budget?

Select Committee Advisory Attorney Howell Jackson: It is customary, as I understand it for the board's budget to be included in the department's budget even though the language says it shall be separately stated as determined by the board. I clearly don't want to contribute to the board and the department getting into a turf battle here and I am sure the board wants to cooperate with the Secretary in the budgeting process. I do think that the board has the final say on what their budget should be. As Colonel Crump said earlier, I agree, we need a time-line as to when the board should get its input back to the Secretary.

Secretary Thomas Johnson: I would appreciate that very much.

Legal Division Deputy Secretary Joe Maguire: I would like for you to consider this position is that Section 69.7 states that in effect whatever budget the department gives the CalVet board it is the prevue of the CalVet board to decide in fact how it is spent.

Select Committee Advisory Attorney Howell Jackson: That is one way it can be interpreted, it can also be interpreted board determines its own budget and it is not the responsibility of the Secretary.

Secretary Thomas Johnson: Ultimately we are here for the same purpose and we are here to make sure that the department provides the kinds of services that are mission spells out for veterans and so we are hopeful we won't look at this as hurdles and barriers but channels to get out collective good will forward and getting the right plans in place, the right in-put, the right decisions made and that is my ultimate desire. You can always assure that you have the right Secretary, or can's always assure that you have the right people in place. I think we have the right people in place, I think we have the right staff, the right board and I think we can make things work the way they are suppose to. That is my desire and I look forward to further discussions on this.

Select Committee Advisory Attorney Howell Jackson: One last thing in line with what we have discussed and that is an indication from the department as to a time-line.

Secretary Thomas Johnson: February would be good so we can get some feedback sometime by the end of February.

Chairman Sinopoli: As far as I am concerned we can do that.

Vice Chairman Leo Burke: The Governor has not blessed all of this, is that correct?

Secretary Thomas Johnson: No, he has not given his final decisions whether he signs off on everything. We are discussing it with the CPR leadership.

Chairman Sinopoli: Any discussion pertaining to the teleconference?

FUTURE MEETING DATES AND LOCATIONS:

All meetings take place on Friday unless notified.

Next board meeting February 2005 Clovis

Yearly schedule is posted on web site: www.cdva.ca.gov/board

CLOSED SESSION (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

- There being no further business to discuss the meeting was adjourned at 3:45 p.m.
- These minutes are only a summary of the proceeding portions are reported here verbatim.
- These minutes are posted to the California Department of Veterans Affairs on-line website at www.cdva.ca.gov/board

ADJOURNED at 3:45 p.m.